



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION 5 77 WEST JACKSON BOULEVARD CHICAGO, IL 60604-3590

October 22, 2021

Mr. Michael Gearhardt

NON RESPONSIVE

RE: Comfort Letter for Spinnaker Property
 518 E. Water Street, Troy, Ohio 45373
 Parcel Numbers: D08-006000 and D08-101816

Dear Mr. Gearhardt:

Thank you for contacting the U.S. Environmental Protection Agency ("EPA" or "Agency") on behalf of 518 Water LLC's (Water LLC) plans concerning the property referenced above ("Property"). In your inquiry, you described Water LLC's intentions to purchase the Property for non-industrial uses as envisioned by the Troy Downtown Riverfront Strategic Development project and requested that we provide you with a Superfund comfort letter.

The purpose of this comfort letter is to provide you with information that may be relevant to the potential Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") liability concerns you have identified at the Property and summarize the relevant information available to EPA about the East Troy Contaminated Aquifer Site ("ETCA Site" or "Site") as of the date of this letter. We hope this information will enable you to make informed decisions as you move forward with your plans regarding the Property.

Under the CERCLA, (commonly referred to as Superfund),¹ the Agency's mission is to protect human health and the environment from risks posed by exposure to contaminated or potentially contaminated land, water, and other media. A Superfund cleanup can help return properties to productive reuse. We are providing this letter consistent with the Agency's 2019 Comfort/Status letter policy.²

Property Status

Interested parties can find information on sites that are, or potentially are, contaminated and may warrant action under Superfund, including site-specific documents and fact sheets, in the Superfund Enterprise Management System ("SEMS"), which may be accessed at <https://cumulis.epa.gov/supercpad/cursites/srchsites.cfm>.

¹ 42 U.S.C. §§ 9601, *et seq.*

² See *2019 Policy on the Issuance of Superfund Comfort/Status Letters* (Aug. 21, 2019), available on the Agency's website at <https://www.epa.gov/enforcement/comfortstatus-letters-guidance>.

The Property at 518 E. Water Street is situated within the ETCA Site. The Site is located in SEMS and is on the National Priorities List (“NPL”).

For the reasons stated below, we are addressing the Site under Superfund remedial authority.

History and Status of the Site

SEMS provides information on (1) whether an NPL site is proposed, final, or deleted, (2) sites subject to a federal remedial action, and (3) sites with a Superfund Alternative Approach agreement.³

The following is a summary of the information the EPA currently has regarding the Site and the Property. The ETCA Site is located in the City of Troy, Miami County, Ohio approximately 20 miles north of Dayton, Ohio. The ETCA Site includes an approximate 20-square block area of contaminated groundwater and associated soils extending west from the west bank of the Great Miami River (“GMR”) within an area that extends from approximately South Walnut Street on the northwest to Floral Avenue on the southeast, Canal and Scott streets on the southwest and the GMR on the northeast. See Figure 1 for Site Location Map. The ETCA Site consists of groundwater contaminated with chlorinated volatile organic compounds (“VOCs”), specifically trichloroethene (“TCE”) and tetrachloroethene (“PCE”), which has adversely impacted water quality in the local sand and gravel aquifer. VOCs have been found in Site groundwater, soils, and in indoor air within structures located above the groundwater contamination.

The ETCA Site was first identified in 1988, when cis-1,2-dichloroethene (cDCE) was detected in the City of Troy’s East Well Field. See Figure 2 for location of the City of Troy East Well Field. The concentrations detected in the City’s wells were below the Maximum Contaminant Levels (“MCLs”) under the Safe Drinking Water Act (“SDWA”) and are not considered a health risk. Ohio EPA later conducted soil gas sampling beneath neighborhood buildings in 2006 and confirmed that VOCs present in the groundwater were moving up through the soil and into the indoor air of buildings above the contamination through cracks in building foundations. This process is called vapor intrusion. In response, EPA conducted a time-critical removal action in 2007 and installed Sub-slab Depressurization Systems (“SSDs”) (similar to radon mitigation systems) to remove vapors from 16 homes and one school. Subsequently, EPA placed the ETCA Site on the National Priorities List (“NPL”) in 2008, making it eligible for investigation and cleanup under EPA’s Superfund program.

In 2010, EPA issued Special Notice Letters to the Potentially Responsible Parties (“PRPs”) to conduct the Remedial Investigation (“RI”) and Feasibility Study (“FS”) for the ETCA Site. Negotiations between EPA and the PRPs proved unsuccessful, so EPA conducted the RI/FS as a CERCLA fund-lead action. From 2010 to 2014, EPA conducted the RI in three phases. The Site RI investigation results and EPA’s PRP search indicated two separate groundwater plumes existed and each originated from different and potentially multiple sources. The RI data also indicated that these separate releases of PCE and TCE are co-mingled in some areas. See Figure 2 for groundwater plume locations.

The first groundwater plume, referred to as the “Residential Plume,” is located within a predominately residential area southwest of East Main Street. This plume primarily contains PCE with lesser amounts of TCE and cDCE. The RI data documents that the highest PCE concentration, indicating a potential PCE plume source, was located beneath or immediately northwest of South Walnut Street, roughly

³ See *Transmittal of Updated Superfund Response and Settlement Approach for Sites Using the Superfund Alternative Approach (SAA Guidance)* (Sept. 28, 2012), <https://www.epa.gov/enforcement/transmittal-memo-updated-superfundresponse-and-settlement-approach-sites-using>.

midblock between East Main and East Franklin Streets. RI data also documented there is no PCE in groundwater immediately upgradient, or north, from this area. This data indicated that the South Walnut Street location was a likely source of PCE documented in the groundwater plume. Historical records indicate that this area was near the Troy One-Hour Cleaners, a cleaner that operated from 1958 to 1979 at 10 East Main Street. PCE is a chemical known to have been used in the dry-cleaning process between 1958 and 1979. The release of PCE to groundwater may have occurred through spillage to the ground during operations or disposal, and through leakage to soils from drains and sanitary sewer pipes. The RI documents that the Residential Plume extends about $\frac{3}{4}$ mile downgradient (southeastward) from the source area (Walnut Street vicinity) to the vicinity of Floral Avenue. Most of the groundwater plume lies in the area between East Main Street on the north and Canal and Scott Streets on the south.

The second groundwater plume, referred to as the “East Water Street Plume,” is located within a mixed industrial, residential, commercial, and institutional use area along East Water Street. This plume contains primarily TCE, with lesser amounts of PCE and cDCE. This plume originated near the northwest corner of the former Hobart Cabinet Company (“Hobart”) (301 E Water Street) in close proximity to Hobart’s loading dock area. See Figure 2 (location of the Residential and East Water Street groundwater plumes).

Analytical results from soil samples collected during the RI documented PCE and TCE in subsurface soil above the East Water Street Plume as high as 72,000 ppb and 89,000 ppb, respectively. The soil and groundwater PCE and TCE analytical results support a finding that surface spills and/or dumping directly onto the ground of PCE/TCE-containing solvents had occurred behind or in the vicinity of the Hobart loading dock. In addition, sampling data collected during the RI also indicate that chlorinated VOCs are present in shallow soils and groundwater at the Property, a second industrial facility downgradient (southeast) of the Hobart building and formerly known as Brown-Bridge Industries, Inc. (now Spinnaker Coatings).

Based on RI sampling, EPA determined that the source of TCE and PCE contamination for the East Water Street Plume is the former Hobart Cabinet Company, which is upgradient of the Spinnaker Coatings property. EPA also determined that the Brown Bridge facility had TCE-contaminated soil on the property and may have been contributing to Site contamination.

Groundwater data show that the East Water Street Plume extends about half mile downgradient (southeast) from the source area past Williams Street to Ellis Street (assuming an imaginary line is drawn from Ellis and Franklin Streets eastward to the west bank of the GMR). This plume is bounded to the north by the GMR and to the south by East Water Street. In the vicinity of the eastern terminus of East Water Street, the East Water Street Plume appears to co-mingle with contamination migrating from the Residential Plume due to the influence of pumping in the City’s East Well Field.

EPA issued an Interim Record of Decision (“ROD”) for Source Area Cleanup on September 20, 2018. The Interim ROD addresses two groundwater contamination source areas at the ETCA Site: (1) the Residential Plume source area located within a predominately residential area southwest of East Main Street and (2) the East Water Street Plume soil source areas (which include contaminated soils on the Hobart Cabinet Company and Spinnaker Coatings properties) located within a mixed industrial, residential and commercial area along East Water Street. The Interim ROD involves the excavation and off-site disposal of contaminated East Water Street Plume soil source areas, source treatment within the groundwater aquifer at the Residential Plume source area and the installation of SSDs in commercial and residences overlying the residential plume. The interim remedy does not include treatment of the East Water Street groundwater plume. Final remedies for residual contamination in the Residential and

East Water Street groundwater plumes will be addressed in a future ROD after assessing the effectiveness of the interim action and collecting additional groundwater data. Both of the contaminated source areas and their associated residual groundwater plumes are collectively known as Operable Unit 1 (OU1).

518 E. Water Street (Property) Status

Sampling activity at the Property, as part of the RI investigation, included soil borings (“SB”) outside the building. Approximately 93 soil samples were collected from 22 locations throughout the Property. Of the 20 VOCs detected in soil, 10 VOCs exceeded the protection of groundwater Regional Screening Levels (“RSLs”). Only TCE exceeded the residential direct contact RSL (15 times) and direct contact industrial RSL (4 times). The highest concentrations of VOCs were detected in samples near the west end of the main Spinnaker parking lot (referred to as “EA-6”), which is currently paved with asphalt. In this area, TCE was detected above the residential and industrial direct contact RSLs and the protection of groundwater RSLs in subsurface soil samples from borings SPIN1 and SB301, with the maximum concentrations of 22,000 and 12,000 µg/kg at a depth of 2 to 4 feet bgs. TCE also exceeded the residential direct contact RSL in samples collected from borings near the west and north walls of the Spinnaker building on the Property (SB309, SB310, SB311, SB312, SB313, and SB314). Soil samples from two of the borings (SB311 and SB313) also exceeded the protection of groundwater RSL and the industrial direct contact RSL, with the highest concentrations of TCE in a subsurface soil sample (SB311) at 2,300 µg/kg at a depth of 4 feet bgs and in a surface sample at SB313, with a maximum concentration of TCE of 1,900 µg/kg. See Figure 3 for Spinnaker soil sample locations and analytical results. The aforementioned TCE concentrations exceed EPA residential and industrial direct contact screening levels.

Based on the exceedances of RSLs for TCE in soil and groundwater, EPA conducted a risk assessment to determine if soil and/or groundwater contamination at the Property poses an unacceptable health risk. The risk assessment for soils determined that cleanup was warranted at the EA-6 area. Although, TCE-contaminated soils exceeded the RSLs at areas on the Property beyond EA-6, the risk assessment levels did not warrant cleanup beyond EA-6. See Figure 3. The risk assessment for groundwater also determined that exposure to contaminated groundwater underneath the Property may pose an unacceptable health risk to future residents and future industrial/commercial workers through ingestion of and dermal contact with groundwater used as a source of potable water and inhalation of vapors released from potable use activities (showering and washing dishes and clothes). In addition, the risk assessment found that exposure to contaminated groundwater underneath the Property poses an unacceptable health risk to current/future construction workers through inhalation of vapors that may migrate from groundwater into the air.

To address the contaminated soils in EA-6, the RI established a preliminary soil cleanup level of 34 µg/kg for TCE and 44 µg/kg for PCE. The RI assumed that TCE-impacted soil would be excavated to a depth of six feet below ground surface, for an estimated total volume of 753 cubic yards to be removed from EA-6.

While EPA conducted a risk assessment for the protection of groundwater at the Property, the groundwater remedy has not been selected for this Site and will be addressed at a later time.

In December 2019, Spinnaker Coatings notified EPA that it intended to excavate and remove soil contamination in the EA-6 area without EPA oversight. In August 2020, Spinnaker conducted a voluntary cleanup of the Interim ROD’s EA-6 soil source area at the Property without EPA oversight.

Spinnaker excavated and removed PCE and TCE-contaminated soil as required by the Interim ROD. According to the Spinnaker Coatings September 16, 2020 Phase II Limited Subsurface Soil Investigation (Phase B) Report for EA-6 and Offsite Areas, prepared by its contractor, MAK SOLVE, the total volume of contaminated soils excavated onsite (from EA-6 area) and offsite (adjacent residential property) was 1,480 yd³ (2,219.32 tons). Forty-two confirmation soil samples from the bottom and sidewalls of each excavation area were collected and submitted to a laboratory for analysis to verify that soil removal achieved EPA-established cleanup levels for TCE and PCE. The Report indicated that these soils were transported by Disposal Solutions for disposal offsite at the St. Paris Landfill in Richmond, Indiana.

Spinnaker has not recorded an Environmental Restrictive Covenant (“ERC”) on the Property. An ERC helps define some of the reasonable steps expected from any current or future owner of the Property.

For more information, you may also wish to view a copy of the Site’s Administrative Record which is available at the Site’s public information repository located at the Troy-Miami County Public Library, Local History Branch, 100 W. Main Street, Troy, Ohio, at the EPA Region 5 Records Center in Chicago, Illinois, and on-line through the following EPA web link: www.epa.gov/superfund/east-troy-aquifer.

Reuse of the Property

Based on the information you provided, the EPA Region 5 understands that Water LLC intends to demolish the existing building and repurpose the vacant land for non-industrial uses as envisioned by the Troy Downtown Riverfront Strategic Development Project. Please note that, to ensure the remedy remains protective of human health and the environment, any development must be compatible with EPA cleanup actions under the Interim ROD and the future final site-wide remedy that addresses groundwater.

During the EPA RI, soil samples were collected throughout the Property, however, no soil samples were collected directly underneath the Spinnaker Coating building. As such, contaminated soils above residential/industrial screening levels may or may not be present underneath the building. Figure 3 shows the locations of TCE/PCE contaminated soils that are exceeding residential (yellow solid line) and industrial (pink solid line) RSLs on the Property.

As of the date of this letter, EPA is not in a position to comment on the compatibility between the proposed use of the Property as you have described it, and the EPA’s selected cleanup option. While it is unlikely the proposed industrial or residential reuse of the Property will interfere with EPA’s cleanup action, due to the potential presence of TCE contaminated soils and the known presence of contaminated groundwater underneath the existing building slab on the Property, EPA remains concerned that future construction workers may be exposed to PCE/TCE during excavation in areas currently underneath the existing building and future residents and future industrial/commercial workers may be exposed to PCE/TCE if groundwater is used as a potable water source.

The EPA, at a minimum, recommends that Water LLC develops a soil or waste management plan and provide it for Agency review prior to any excavation activities. Given the extensive excavation, grading, and construction Water LLC is planning, it may wish to consider entering an agreement with EPA, as discussed further below. As your plans develop further, please continue to discuss the development with us. The EPA recommends that you consult with your own legal counsel and environmental professional to ensure that your proposed reuse will not affect EPA’s cleanup response.

CERCLA's Bona Fide Prospective Purchaser Liability Protection

EPA is providing you with information regarding the bona fide prospective purchaser ("BFPP") provision of CERCLA. Congress amended CERCLA in 2002 to exempt certain parties who buy contaminated or potentially contaminated properties from CERCLA liability if they qualify as BFPPs. The BFPP provision provides that a person who meets the criteria of CERCLA §§ 101(40) and 107(r)(1), and who purchases the property after January 11, 2002, will not be liable as an owner or operator under CERCLA.

A key advantage of the BFPP provision is that it is self-implementing; therefore, the Agency is not involved in determining whether a party qualifies for BFPP status. A party, on its own, can achieve and maintain status as a BFPP, which provides statutory protection from CERCLA liability, without entering into an agreement with EPA, so long as that party meets the threshold criteria and continuing obligations identified in the statute.⁴

Based upon your representation of your situation, the BFPP provision may apply. Note that a court, rather than EPA, ultimately determines whether a landowner has met the criteria for BFPP status. Thus, EPA recommends that you consult with your legal counsel to assess whether you satisfy each of the statutory requirements necessary to achieve and maintain BFPP status.

Reasonable Steps

Among other criteria outlined in CERCLA, a BFPP must take "reasonable steps" to stop continuing releases, prevent threatened future releases, and prevent or limit human, environmental, or natural resources exposure to any previously released hazardous substances as required by CERCLA § 101(40)(B)(iv). This requirement is explored further in the Common Elements Guidance.

By making the BFPP Exemption subject to the obligation to take reasonable steps, EPA believes Congress intended to protect certain landowners from CERCLA liability while at the same time recognizing that these landowners should act reasonably, in conjunction with other authorized parties, in protecting human health and the environment. You have asked what actions may constitute reasonable steps for the Property. As noted above, the Agency has issued an Interim ROD for cleanup of contaminated soil source areas, including the EA-6 area on the Property. A final Site-wide groundwater remedy will be addressed in a future Proposed Plan and in the final OU1 ROD after assessing the effectiveness of the source control actions under the Interim ROD and after collecting additional groundwater data. The future OU1 ROD will likely contain institutional controls to prevent current/future potable groundwater use until groundwater cleanup standards in the future OU1 ROD are met.

During the EPA RI, soil samples were collected throughout the Property, however, no soil samples were collected directly underneath the Spinnaker Coating building. As such, contaminated soils above residential/industrial direct contact RSLs may be present underneath the existing Spinnaker Coatings building. If the Property were to be redeveloped as residential, additional cleanup activities may be required. Between August 24 and September 2, 2020, Spinnaker excavated EA-6 without EPA oversight

⁴ See EPA's *Enforcement Discretion Guidance Regarding Statutory Criteria for Those Who May Qualify as CERCLA Bona Fide Prospective Purchasers, Contiguous Property Owners, or Innocent Landowners* ("Common Elements Guidance") (Office of Enforcement and Compliance Assurance, July 29, 2019) available on the Agency's website at <https://www.epa.gov/enforcement/common-elements-guidance>.

and sent confirmation samples to Pace Analytical laboratory to verify the samples were below EPA cleanup levels for TCE/PCE in soils. EPA is not in a position to say whether Spinnaker's cleanup of EA-6 meets EPA's standards.

RI/FS work is ongoing for the Site as a whole, and EPA has not yet selected a final groundwater remedy for the Site.

Based on the information we have evaluated to date, we believe that the following may be reasonable steps related to the hazardous substance contamination found at the Site:

- Avoid any activities that may result in the exposure of individuals to contaminated soils or groundwater, including the installation or use of any drinking wells or any residential use of the Property;
- Refrain from any activities that would involve the penetration of the water table;
- Refrain from the tampering, opening, or damaging of any monitoring wells or extraction wells, and associated equipment, that may be located on or near the Property;
- Refrain from interfering with response activities at or around the Property as conducted by EPA or under EPA's direction;
- Refrain from digging, disturbing soil, or constructing non-mobile structures in areas currently located under the building slab without taking appropriate precautions to sample and manage exposed soil appropriately, to avoid exacerbating any TCE contaminated soils that may be present underneath the existing building;
- Prohibit public or private well installation on the property for irrigation or consumption purposes;
- Ensure appropriate measures are implemented during any construction to minimize the potential for excess worker exposure to soils at the Property impacted by contamination;
- If management of contaminated soils is needed to facilitate development activities, manage such soils appropriately to avoid human and natural resource exposure;
- Call the EPA's regional Emergency Response Center hotline to report the discovery or release of any hazardous substances; and
- Refrain from performing any activities or constructing any structures that will or may interfere with the EPA's investigation or cleanup or exacerbate contaminated conditions at the Site.

The EPA and Ohio EPA requires continuing access to the Property for performing the future investigation and/or cleanup of the site-wide groundwater under a future Site-wide ROD. Any contaminated soils encountered, such as digging foundation footings or installing underground lines or piping, must be characterized to determine appropriate handling and disposal methods in accordance with all applicable state and federal laws and regulations.

Any reasonable steps suggested by the EPA Region 5 are based on the nature and extent of contamination currently known to the Agency and are provided as a guide to help you as you seek to reuse the Property. Because a final determination about which steps are reasonable would be made by a court rather than the EPA, and because additional reasonable steps may later be necessary based on Site conditions, this list of reasonable steps is not exhaustive. You should continue to identify reasonable steps based on your observation and judgment and take appropriate action to implement any reasonable

steps whether or not the EPA regional staff have identified any such steps.⁵ We recommend that you consult with your environmental professional and legal counsel to ensure that you take the reasonable steps necessary with respect to any hazardous substance contamination. Water LLC may also wish to consider a BFPP Agreement for Removal Action or a Prospective Purchaser Agreement to help assure construction activities are coordinated with EPA to address concerns about triggering potential liability. See <https://www.epa.gov/enforcement/guidance-model-bfpp-agreement-removal-action>.

Liens

No Superfund lien has arisen against the Property pursuant to CERCLA § 107(l). The EPA Region has not filed a notice of lien pursuant to CERCLA § 107(l)(3) on this Property and is not in a position today to determine whether we intend to file such notice of lien with respect to the Property.

Windfall Lien Pursuant to CERCLA § 107(r)

Although Congress provided liability protection under CERCLA for BFPPs to encourage the purchase and reuse of contaminated properties, the property they acquire may be subject to a windfall lien pursuant to CERCLA § 107(r) if there are unrecovered response costs incurred by the United States and the response action increases the fair market value of the property. Unlike a CERCLA § 107(l) lien (aka “Superfund lien”), a windfall lien is not a lien for all the Agency’s unrecovered response costs. The windfall lien is limited to the lesser of the Agency’s unrecovered response costs or the increase in fair market value attributable to EPA’s cleanup.⁶

Based upon the information now available to EPA, the Agency is not in a position today to determine whether the windfall lien policy may apply to this Property.

State Actions

We can only provide you with information about federal Superfund actions at the Site, federal law and regulations, and EPA guidance. For information about potential state actions and liability issues, or for technical-related issues, please contact Scott Glum of the Ohio EPA.

Conclusion

The EPA Region 5 remains dedicated to facilitating the cleanup and beneficial reuse of contaminated properties and hopes the information contained in this letter is useful to you. Please note that the letter does not offer conclusive statements about Site conditions or liability. You may find it helpful to consult your own environmental professional, legal counsel, and your state, tribal, or local environmental protection agency before taking any action to acquire, clean up, or redevelop the impacted Property. These consultations may help you obtain a greater level of comfort about the compatibility of the proposed use and ensure compliance with any applicable federal, state, local, and/or tribal laws or requirements. If you have any additional questions or wish to discuss this information further, please

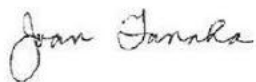
⁵ CERCLA § 101(40)(B)(iv) provides that “The person exercises appropriate care with respect to hazardous substances found at the facility by taking reasonable steps to (i) stop any continuing release; (ii) prevent any threatened future releases; and (iii) prevent or limit human, environmental, or natural resource exposure to any previously released hazardous substance.”

⁶ For more information, please refer to the Agency’s Interim Enforcement Discretion Policy Concerning “Windfall Liens” Under Section 107(r) of CERCLA (“Windfall Lien Policy”) (July 16, 2003) available on the Agency’s website at <https://www.epa.gov/enforcement/interim-guidance-enforcement-discretion-concerning-windfall-liens-cercla-section-107r>.

feel free to contact Shari Kolak, Remedial Project Manager for the Site, by telephone at 312-886-6151 or by e-mail at kolak.shari@epa.gov.

Sincerely,

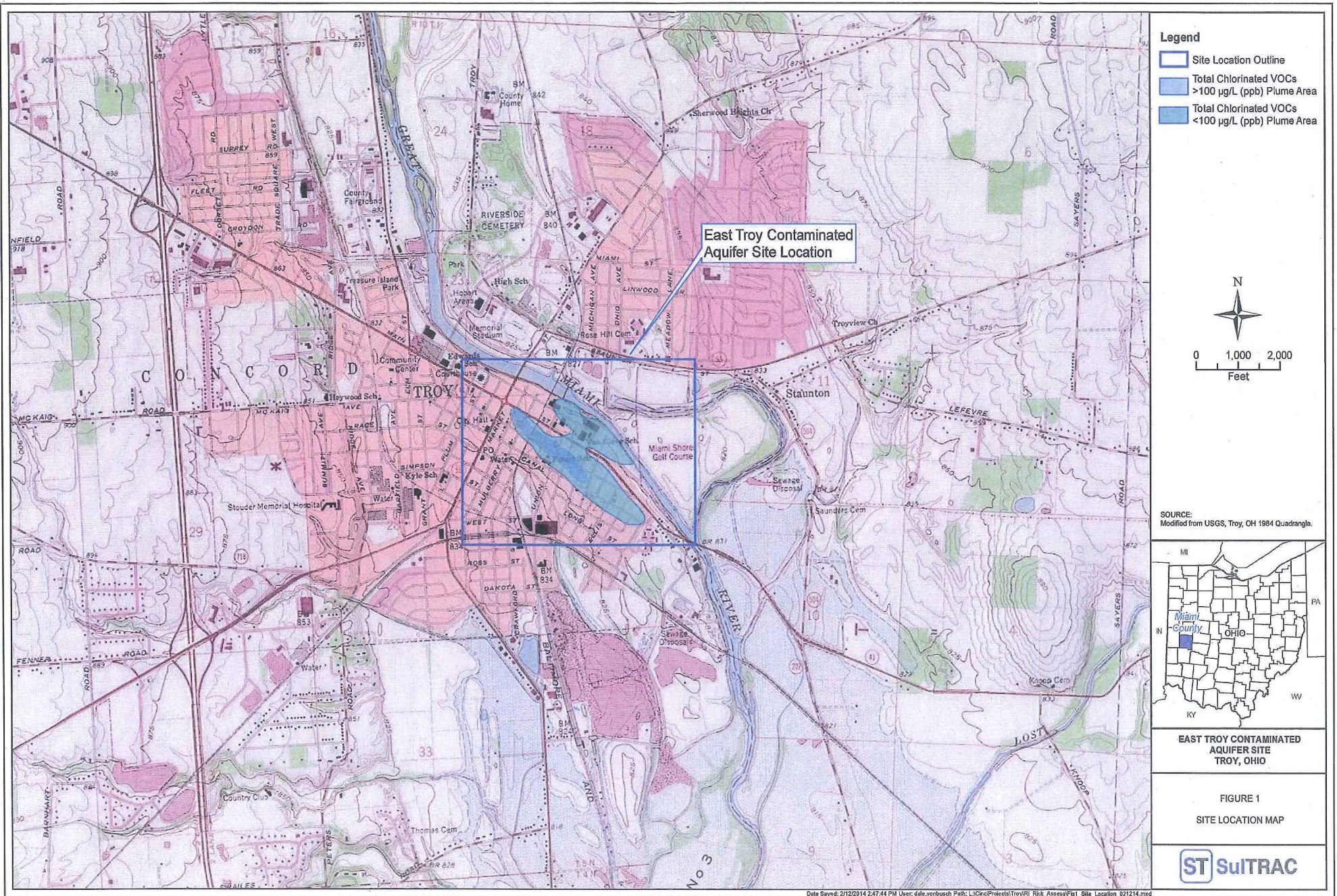
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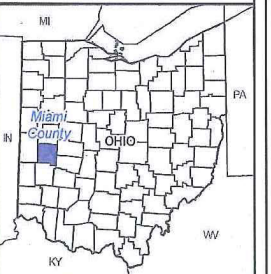
Joan Tanaka
Chief, Remedial Response Branch 1
Signed by: JOAN TANAKA

Enclosure (Figures)

cc: Shari Kolak (EPA, SEMD)
Gillian Asque (EPA, ORC)
Scott Glum (Ohio EPA)



SOURCE:
Modified from USGS, Troy, OH 1984 Quadrangle.



**EAST TROY CONTAMINATED
AQUIFER SITE
TROY, OHIO**

**FIGURE 1
SITE LOCATION MAP**

ST SuITRAC

